



# राजपत्र, हिमाचल प्रदेश

## (असाधारण)

हिमाचल प्रदेश राज्य शासन द्वारा प्रकाशित

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शिमला, बुधवार, 5 अप्रैल, 2006/15 चैत्र, 1928

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हिमाचल प्रदेश सरकार

**GLOBAL INVITATION OF BIDS FOR IMPLEMENTATION OF HYDRO  
ELECTRIC PROJECTS IN HIMACHAL PRADESH**

### CHAPTER-I

#### NOTICE INVITING PROPOSALS

The Governor, Himachal Pradesh invites proposals from 'Eligible Bidders' for the implementation of the following Hydro Electric Projects in the Private Sector on Build, own,

Operate and Transfer (BOOT) basis:—

## PART-I. — PROJECTS FOR WHICH THE P.F.R. IS READY:

Sl. No.	Name of the Project	District	Nallah / River Basin	Tentative installed capacity
<b>CATEGORY-I</b>				
1.	Chanju-I	Chamba	Chanju/Ravi	25 MW
2.	Chanju-II	Chamba	Chanju/Ravi	17 MW
<b>CATEGORY-II</b>				
1.	Youngthang Khab	Kinnaur	Spiti/Satluj	261 MW
2.	Bara Bangahal	Chamba	Ravi	200 MW
3.	Bajoli Holi	Chamba	Ravi	180 MW
4.	Gondhala	Lahaul & Spiti	Chandra/Chenab	144 MW
5.	Bardang	Lahaul & Spiti	Chenab	114 MW
6.	Chhatru	Lahaul & Spiti	Chandra/Chenab	108 MW

## PART-II. — PROJECTS IDENTIFIED (FEASIBILITY OF THE PROJECT TO BE ASCERTAINED BY IPPs) :

Sl. No.	Name of the Project	District	Nallah / River Basin	Tentative installed capacity
1	2	3	4	5
<b>CATEGORY-I :</b>				
1.	Mane Nadang	Lahaul & Spiti	Spiti/Satluj	70 MW
2.	Lara	Lahaul & Spiti	Spiti/Satluj	60 MW
3.	Ropa	Kinnaur	Ropa/Satluj	60 MW
4.	Kuling Lara	Lahaul & Spiti	Spiti/Satluj	40 MW
5.	Bharari	Bilaspur	Bharari/Satluj	5.5 MW
6.	Miyar	Lahaul & Spiti	Miyar/Chenab	90 MW
7.	Tinget	Lahaul & Spiti	Miyar/Chenab	81 MW
8.	Teling	Lahaul & Spiti	Chandra/Chenab	61 MW
9.	Patam	Lahaul & Spiti	Miyar/Chenab	60 MW
10.	Rupin	Shimla	Rupin/Yamuna	39 MW
<b>CATEGORY-II :</b>				
1.	Chango Youngthang	Kinnaur	Spiti/Satluj	140 MW
2.	Sumte Kothang	Kinnaur	Spiti/Satluj	130 MW
3.	Lara Sumta	Kinnaur	Spiti/Satluj	104 MW

1	2	3	4	5
4.	Rcoli/Dugli	Lahaul & Spiti	Chenab	715 MW
5.	Dugar	Chamba	Chenab	360 MW
6.	Gyspa	Lahaul & Spiti	Bhaga/Chenab	240 MW
7.	Sach-Khas	Lahaul & Spiti	Chenab	210 MW
8.	Seli	Lahaul & Spiti	Chenab	150 MW
9.	Tandi	Lahaul & Spiti	Chenab	150 MW
10.	Rashil	Lahaul & Spiti	Chenab	150 MW

### PART-III.— SELF-IDENTIFIED PROJECTS (ABOVE 5 MW):

Sl. No.	Name of the Project	Installed Capacity
1.	<b>CATEGORY-I</b>	
	Self-Identified Projects	Above 5 MW to 100 MW
2.	<b>CATEGORY-II</b>	
	Self-Identified Projects	Above 100 MW

The 'Eligible Bidder' shall mean a Company or a Consortium of Companies or a Corporation, whether in the Public or Private Sector and whether of Indian or Foreign Origin.

### GENERAL CONDITIONS :

#### A. APPLICABLE FOR PART-I PROJECTS :

1. The Bidders should have strong financial and technical base with adequate free investible reserves and surpluses and requisite technical capability necessary for the development of the above Hydro Electric Projects.
2. The operation period of the Projects shall be forty (40) years from the Commercial Operation Date (COD) of the Projects at the end of which these shall stand transferred to the Government of Himachal Pradesh free of cost.
3. For Projects above 100 MW installed capacity, the Govt. of Himachal Pradesh reserves the right of equity participation upto 49% on selective basis.
4. The Developers will be free to dispose of power from the Projects, after allowing for royalty in the shape of free power to the State, in any manner

they like in accordance with the provisions contained in the Electricity Act, 2003 and the rules and regulations made thereunder.

5. The Project Developer will be required to provide royalty in the shape of free power from the Project to the Government of Himachal Pradesh in lieu of surrender of potential site @ 12% of the Deliverable Energy of the Project for the period starting from the date of synchronization of the first generating unit and extending upto 12 years from the date of Commercial Operation of the Project, @ 18% of Deliverable energy of the Project for a period of next 18 years and thereafter @ 30% of the Deliverable Energy for the balance agreement period beyond 30 years. The royalty in the shape of free power shall start accruing to the Govt. from the Scheduled Commercial Operation Date. In case the actual COD is delayed beyond the Scheduled COD, in that event the amount of free power component as royalty shall accrue to Govt. of H.P. because of extended COD and the Developer shall pay the same in 10 equal instalments from the actual COD.
6. The Developer shall reimburse to the Board the amount, spent by the Board on investigations and infrastructure works of the Project upto the date of signing of Implementation Agreement, with compound interest @ 10% per annum within three months of signing the Implementation Agreement.
7. The scope of the work will be from concept to commissioning and operation thereafter, including, *inter-alia*, survey and investigations, identification of transmission system for the evacuation of power and preparation/review of Detailed Project Report (DPR). The transmission system for evacuation of power shall form part of the Project and shall be included in the DPR in consultation with HPSEB, keeping in view the integrated system requirements.
8. The Projects will be allotted on the basis of tentative installed capacity as mentioned in the NIP. However, in case the capacity of the Projects increases/decreases upon firming up of the potential as per TEC accorded by the competent authority, the Company will be required to sign the fresh/revised MOU/IA with the Govt. as the case may be.
9. It has been observed that after the setting up of various Hydroelectric Projects in Satluj basin, numbers of technical and socio economic problems have arisen due to post effects of hydroelectric projects in the State. To mitigate any eventuality with regard to the execution of Hydroelectric

Projects in the Satluj Valley, a forum of Hydro Power Producers of Satluj basin has come into existence on 5-11-2005. The main function of the forum relates to (i) Environment (ii) Operation of power Stations and Sharing of Technical Expertise & Experience (iii) Data Sharing (iv) Disaster Management and Planning and (v) Common Issues with State Government & Government of India. The guidelines of the forum wherever applicable, the attempt will be made to abide by the recommendations of Forum and applicable to all the Power Producers/Developers in the State of H.P. If however, any such more forums are constituted for other river basins, the guidelines of the same shall also be applicable on developers/Power Producers, executing projects in that area.

10. The Company shall have to provide employment to Bonafide Himachalis whose names are registered on live register of any Employment Exchange located in the State of Himachal Pradesh, in respect of all the unskilled/skilled staff and other non-executives as may be required for execution, operation and maintenance of the Project, through the local Employment Exchanges failing which through the Central Employment Cell at Shimla. However, the first preference will be given to oustees. In the event of non-availability of the requisite skilled manpower at various levels with requisite qualification and experience, non-availability certificates will be obtained from the Labour Commissioner/Director Employment, H.P. and only thereafter the Company will be free to recruit such persons from outside the State of H.P.

The Company shall satisfy the Govt. that the Contractors/Sub-Contractors engaged by them for the Project shall give employment to local people/ Himachalis for appointment as supervisors, workmen and labourers/workers in the Project.

In regard to direct recruitment of engineers and other executives, other things being equal in terms of eligibility criteria, qualification, experience etc., the Company shall give preference to the candidates well conversant with customs, culture, language and dialect of Himachal Pradesh. The advertisement regarding employment will be issued in two English dailies and three Hindi daily papers having wide circulation within Himachal Pradesh, besides advertising through Parsar Bharti and Giriraj.

The Company shall ensure that the deployment of Himachalis in respect of Executive/Non-Executive/Skilled/Non-Skilled categories at any stage of the Project implementation, if it is not possible to recruit 100% staff from Himachalis for justifiable reasons, only then the Company shall maintain not less 70% of the total employees/officers/executives from Bonafide Himachali persons.

The Company shall provide employment to one member of each of the displaced families or adversely affected as a result of the acquisition of land for the Project, during construction of the Project. During the operation and maintenance of the Project, the Company shall give preference to members of the displaced families for employment in the Project.

The Company shall associate a representative of the Department of MPP & Power, Government of H.P. in the process of recruitment for all categories of employees to be recruited for the Project.

The petty contracts of the road work, retaining walls, buildings construction, carriage of construction material like sand, aggregate, cement, steel etc. engagement of all categories of other service providers, taxis for the staff deployed to the sites, engagement of other light and heavy vehicles, running of canteens/mess, engagement of security personnel through ex-servicemen shall normally be awarded to locals/Himachalis.

The Company shall also provide training programme to the locals affected by the Project so that they are in a position to get employment as various technical/administrative jobs in the Project.

11. The Government will constitute a Local Area Development Authority (LADA) for Project(s) being implemented in each river valley. The Deputy Commissioners will be the Chairman of the LADA and representatives of the developers, HPSEB/State utility, PWD, IPH, Forest, Pradhan of the affected Panchayat, Chairman Panchayat Samiti, Block Development Officer, Land Acquisition Officer and any other concerned department will be the other members of the LADA. Concerned SDM shall be the Member Secretary. The LADA will be entrusted with, but not limited to, the following activities:—

- (a) Oversee the restoration of facilities adversely affected due to implementation of the Project.

- (b) Oversee the implementation of Rehabilitation and Relief Plan.
- (c) Oversee the implementation of Catchment's Area Treatment (CAT) Plan and Compensatory Afforestation.
- (d) Local Development activities related to development of Agriculture, Horticulture, Animal Husbandry, I&PH, Health & Forest Departments and other social activities.

The activities of the LADA during execution will be financed by the Project itself and for this purpose the Developer shall make a provision of 1.5% of total capital cost in the Detailed Project Report other than the funds required for R&R scheme and CAT plan. The LADA activities should be financed from the 1.5% provision proposed in the DPR and not from free power royalty. The State Government will use the free power royalty.

- 12. The Company shall ensure minimum flow of 15% water immediately downstream of the dam so as to protect the rights of the local inhabitants for irrigation and drinking water requirements.
- 13. The Company shall ensure to open its Corporate Office within the State of Himachal Pradesh.
- 14. The Company shall open a Police Station/Chowki and a Labour office in Projects above 50 MW at their cost. For the projects between 5 MW and upto 50 MW the company shall inform the local Police Station and the Labour Office about the details of the labourers and other work force engaged who are both from within the State, country or outside the country, regularly.
- 15. The Project Developer will be required to make arrangements for evacuation of power from the Project to the Board's/PGCIL's Sub-station (designated as the Interconnection Point) as per the provision in the DPR. For evacuation of power beyond the Interconnection Point, the Developer shall tie up with HPSEB/PGCIL for arrangements of a suitable integrated transmission system at mutually agreed wheeling charges.
- 16. Interested parties can submit Bids for one or more Projects. One Bid Document purchased will hold good for submission of Bid for only one Project. The Bids as well as the Processing fee shall be submitted separately for each Project applied for.

## I. Applicable for Part-I (Category-I) Projects :

1. A letter of allotment shall be issued to the successful/selected Bidders asking them to execute a Memorandum of Understanding (MOU) with the Government of Himachal Pradesh for which a sum of Indian Rupees equivalent to Rupees one lac (Rs. 1,00,000) per Mega Watt of installed capacity subject to a maximum amount of Rupees Fifty lacs (Rs.50,00,000) only shall required to be deposited by the successful Bidder as the Security Deposit either through Banker's Cheque or the Bank Draft drawn in favour of Govt. of H.P. on a scheduled Indian Bank. As per the terms & conditions of MOU, the Developer shall be required to achieve various milestones. The Developer shall submit a Detailed Project Report (DPR) commensurate with the allotted site within a period of 18 months from the date of signing of MOU to Govt. of H.P. for appraisal by State Govt./Central Electricity Authority as the case may be. Subject to the Govt. as well as the Developer having satisfied themselves about the techno-economic feasibility of the Project, the Developer shall execute the Implementation Agreement (IA) with the Govt. within a period of 36 months from the date of signing of MOU. The Developer will have to deposit a Security Deposit of either a sum of Rs. four lacs (Rs. 4,00,000) per MW in case the Deposit is made in the form of Bank Guarantee or a sum equivalent to Rs. two lacs (Rs. 2,00,000) per MW in case Deposit is to be made as cash/Bank Draft.
2. Successful/Selected Bidders shall be required to deposit Upfront Premium at the following rates:
 

(i)	For Projects above 5 MW to 50 MW	.. Rs. 1.00 lac/MW
(ii)	For Projects above 50 MW to 100 MW	.. Rs. 2.00 lac/MW

The upfront premium shall be payable by the successful Bidders in three instalments i.e. 50% amount at the time of signing of MOU, 25% at the time of signing of Implementation Agreement and remaining 25% immediately after Financial Closure.
3. The Developer will be permitted to withdraw from the Project after the submission of the DPR, if the Government is satisfied that the Developer has sufficient ground to establish that the Project is not techno-economically viable, without any liability on the Govt. of H.P. for the expenditure incurred



by the Developer, The Security Deposit at the time of signing of MOU shall however be refunded.

## **II. Applicable for Part-I (Category-II) Projects :**

1. The selection process will be in two stages. In the first stage the interested companies shall submit Pre-qualification Bids as per the Request for Qualification (RFQ) document. In the second stage, the Pre-qualified Bidders will be invited to submit Price Bids. In the Price Bids, the Bidders would be required to quote the upfront premium over and above a minimum amount of Rupees Ten lacs (Rs. 10,00,000) per Mega Watt capacity of the Project. The quoted upfront premium shall be payable in three instalments i.e. 50% amount immediately after allotment of Project, 25% at the time of signing of Implementation Agreement and remaining 25% immediately after Financial Closure.
2. A letter of allotment shall be issued to the successful Bidders asking them to prepare the DPR of the allotted Project and for achieving various benchmarks and submission of final DPR. The Govt. of H.P. shall sign the Implementation Agreement (I.A.) with the successful Bidder within a period of 36 months from the date of allotment of the Project. The Developer shall submit a Detailed Project Report (DPR) commensurate with the allotted site within a period of 24 months from the date of allotment, to GoHP for appraisal by State Govt./Central Electricity Authority as the case may be. Subject to the Govt. as well as the Developer having satisfied themselves about the techno-economic feasibility of the Project, the Developer shall execute the I.A. with the Govt. within a period 36 months from the date of allotment. The Developer will have to deposit a Security Deposit of either a sum of Rupees four lacs (Rs .4,00,000) per MW in case the Deposit is made in the form of Bank Guarantee or a sum equivalent to Rupees two lacs (Rs. 2,00,000) per MW in case Deposit is to be made as cash/Bank Draft.
3. The Developer will be permitted to withdraw from the Project after the submission of the DPR, if the Government is satisfied that the Developer has sufficient ground to establish that the Project is not techno-economically viable, without any liability on the Govt. of H.P. for the expenditure incurred by the Developer.

**B. APPLICABLE FOR PART-II PROJECTS :**

1. The Bidders should have strong financial and technical base with adequate free investible reserves and surpluses and requisite technical capability necessary for the development of the above Hydro Electric Projects.
2. The operation period of the Projects shall be forty (40) years from the Commercial Operation Date (COD) of the Projects at the end of which these shall stand transferred to the Government of Himachal Pradesh free of cost.
3. For Projects above 100 MW installed capacity, the Govt. of Himachal Pradesh reserves the right of equity participation upto 49% on selective basis.
4. The Developers will be free to dispose of power from the Projects, after allowing for royalty in the shape of free power to the State, in any manner they like in accordance with the provisions contained in the Electricity Act, 2003 and the rules and regulations made thereunder.
5. The Project Developer will be required to provide royalty in the shape of free power from the Project to the Government of Himachal Pradesh in lieu of surrender of potential site @ 12% of the Deliverable Energy of the Project for the period starting from the date of synchronization of the first generating unit and extending upto 12 years from the date of Commercial Operation of the Project, @ 18% of Deliverable energy of the Project for a period of next 18 years and thereafter @ 30% of the Deliverable Energy for the balance agreement period beyond 30 years. The royalty in the shape of free power shall start accruing to the Govt. from the Scheduled Commercial Operation Date. In case the actual COD is delayed beyond the Scheduled COD, in that event the amount of free power component as royalty shall accrue to Govt. of H.P. because of extended COD and the Developer shall pay the same in 10 equal instalments from the actual COD.
6. The Developer shall reimburse to the Board the amount, spent by the Board on investigations and infrastructure works of the Project upto the date of signing of Implementation Agreement, with compound interest @ 10% per annum within three months of signing the Implementation Agreement.
7. The scope of the work will be from concept to commissioning and operation thereafter, including, *inter-alia*, survey and investigations, identification of transmission system for the evacuation of power, conveyance of feasibility/non-feasibility of the Project and preparation of Detailed Project Report (DPR). The transmission system for evacuation of power shall form

part of the Project and shall be included in the DPR in consultation with HPSEB, keeping in view the integrated system requirements.

8. The Projects will be allotted on the basis of tentative installed capacity as mentioned in the NIP. However, in case the capacity of the Projects increases/decreases upon firming up of the potential as per TEC accorded by the competent authority, the Company will be required to sign the fresh/ revised MOU/IA with the Govt. as the case may be.
9. It has been observed that after the setting up of various Hydroelectric Projects in Satluj basin, numbers of technical and socio economic problems have arisen due to post effects of hydroelectric projects in the State. To mitigate any eventuality with regard to the execution of Hydroelectric Projects in the Satluj Valley, a forum of Hydro Power Producers of Satluj basin has come into existence on 5-11-2005. The main function of the forum relates to (i) Environment, (ii) Operation of power Stations and Sharing of Technical Expertise & Experience, (iii) Data Sharing, (iv) Disaster Management and Planning and (v) Common Issues with State Government & Government of India. The guidelines of the forum wherever applicable, the attempt will be made to abide by the recommendations of Forum and applicable to all the Power Producers/Developers in the State of H.P. If however, any such more forums are constituted for other river basins, the guidelines of the same shall also be applicable on developers/Power Producers, executing projects in that area.
10. The Company shall have to provide employment to Bonafide Himachalis whose names are registered on live register of any Employment Exchange located in the State of Himachal Pradesh, in respect of all the unskilled/skilled staff and other non-executives as may be required for execution, operation and maintenance of the Project, through the local Employment Exchanges failing which through the Central Employment Cell at Shimla. However, the first preference will be given to oustees. In the event of non-availability of the requisite skilled manpower at various levels with requisite qualification and experience, non-availability certificates will be obtained from the Labour Commissioner/ Director Employment, H.P. and only thereafter the Company will be free to recruit such persons from outside the State of H.P.

The Company shall satisfy the Govt. that the Contractors/Sub-contractors engaged by them for the Project shall give employment to local people/Himachalis for appointment as supervisors, workmen and labourers/workers in the Project.

In regard to direct recruitment of engineers and other executives, other things being equal in terms of eligibility criteria, qualification, experience etc. the Company shall give preference to the candidates well conversant with customs, culture, language and dialect of Himachal Pradesh. The advertisement regarding employment will be issued in two English dailies and three Hindi daily papers having wide circulation within Himachal Pradesh, besides advertising through Parsar Bharti and Giriraj.

The Company shall ensure that the deployment of Himachalis in respect of Executive/Non-Executive/Skilled/Non-Skilled categories at any stage of the Project implementation, if it is not possible to recruit 100% staff from Himachalis for justifiable reasons, only then the Company shall maintain not less 70% of the total employees/officers/executives from Bonafide Himachali persons.

The Company shall provide employment to one member of each of the displaced families or adversely affected as a result of the acquisition of land for the Project, during construction of the Project. During the operation and maintenance of the Project, the Company shall give preference to members of the displaced families for employment in the Project.

The Company shall associate a representative of the Department of MPP & Power, Government of H.P. in the process of recruitment for all categories of employees to be recruited for the Project.

The petty contracts of the road work, retaining walls, buildings construction, carriage of construction material like sand, aggregate, cement, steel etc. engagement of all categories of other service providers, taxis for the staff deployed to the sites, engagement of other light and heavy vehicles, running of canteens/mess, engagement of security personnel through ex-servicemen shall normally be awarded to locals/Himachalis.

The Company shall also provide training programme to the locals affected by the Project so that they are in a position to get employment as various technical/administrative jobs in the Project.

11. The Government will constitute a Local Area Development Authority (LADA) for Project(s) being implemented in each river valley. The Deputy Commissioners will be the Chairman of the LADA and representatives of the developers, HPSEB/State utility, PWD, IPH, Forest, Pradhan of the affected Panchayat, Chairman Panchayat Samiti, Block Development Officer, Land Acquisition Officer and any other concerned department will be the other members of the LADA. Concerned SDM shall be the Member Secretary. The LADA will be entrusted with, but not limited to, the following activities:—
- (a) Oversee the restoration of facilities adversely affected due to implementation of the Project.
  - (b) Oversee the implementation of Rehabilitation and Relief Plan.
  - (c) Oversee the implementation of Catchment's Area Treatment (CAT) Plan and Compensatory Afforestation.
  - (d) Local Development activities related to development of Agriculture, Horticulture, Animal Husbandry, I&PH, Health & Forest Departments and other social activities.

The activities of the LADA during execution will be financed by the Project itself and for this purpose the Developer shall make a provision of 1.5% of total capital cost in the Detailed Project Report other than the funds required for R&R scheme and CAT plan. The LADA activities should be financed from the 1.5% provision proposed in the DPR and not from free power royalty. The State Government will use the free power royalty.

12. The Company shall ensure minimum flow of 15% water immediately downstream of the dam so as to protect the rights of the local inhabitants for irrigation and drinking water requirements.
13. The Company shall ensure to open its Corporate Office within the State of Himachal Pradesh.
14. The Company shall open a Police Station/Chowki and a Labour office in Projects above 50 MW at their cost. For the projects between 5 MW and upto 50 MW the company shall inform the local Police Station and the Labour Office about the details of the labourers and other work force engaged who are both from within the State, country or outside the country, regularly.

15. The Project Developer will be required to make arrangements for evacuation of power from the Project to the Board's/PGCIL's Sub-station (designated as the Interconnection Point) as per the provision in the DPR. For evacuation of power beyond the Interconnection Point, the Developer shall tie up with HPSEB/PGCIL for arrangements of a suitable integrated transmission system at mutually agreed wheeling charges.
16. Interested parties can submit Bids for one or more Projects. One Bid Document purchased will hold good for submission of Bid for only one Project. The Bids as well as the Processing Fee shall be submitted separately for each Project applied for.

**I. Applicable for Part-II (Category-I) Projects :**

1. A letter of allotment shall be issued to the successful/selected Bidders asking them to execute a Memorandum of Understanding (MOU) with the Government of Himachal Pradesh for which a sum of Indian Rupees equivalent to Rupees one lac (Rs. 1,00,000) per Mega Watt of installed capacity subject to a maximum amount of Rupees fifty lacs (Rs. 50,00,000) only shall required to be deposited by the successful Bidder as the Security Deposit either through Banker's Cheque or the Bank Draft drawn in favour of Govt. of H.P. on a Scheduled Indian Bank. As per the terms & conditions of MOU the Developer shall be required to achieve various milestones. The Developer shall convey the feasibility/non-feasibility of the Project commensurate with the allotted site within a period of twelve (12) months from the date of signing of MOU to Govt. of H.P. After which, the Developer shall submit a Detailed Project Report (DPR) within a period of 24 months in Projects upto 50 MW and 30 months in other Projects from the date of signing of MOU, to Govt. of H.P. for appraisal by State Govt./Central Electricity Authority as the case may be. Subject to the Govt. as well as the Developer having satisfied themselves about the techno-economic feasibility of the Project, the Developer shall execute the Implementation Agreement (I.A.) with the Govt. within a period of 36 months from the date of signing of MOU. The Developer will have to deposit a Security Deposit of either a sum of Rs. four lacs (Rs. 4,00,000) per MW in case the Deposit is made in the form of Bank Guarantee or a sum equivalent to Rs. two lacs (Rs. 2,00,000) per MW in case Deposit is to be made as cash/Bank Draft.

2. Successful/Selected Bidders shall be required to deposit Upfront Premium at the following rates:

(i)	For Projects above 5 MW to 50 MW	..	Rs. 1.00 lac/MW
(ii)	For Projects above 50 MW to 100 MW	..	Rs. 2.00 lac/MW

The upfront premium shall be payable by the successful Bidders in three instalments i.e. 50% amount at the time of signing of MOU, 25% at the time of signing of Implementation Agreement and remaining 25% immediately after Financial Closure.

3. The Developer will be permitted to withdraw from the Project after the conveyance of non-feasibility of the Project, if the Government is satisfied that the Developer has sufficient ground to establish that the Project is not techno-economically viable, without any liability on the Govt. of H.P. for the expenditure incurred by the Developer. The Security Deposit at the time of signing of MOU shall however be refunded. In such eventuality, the Govt. reserves the right to readvertise the Projects.

## II. Applicable for Part-II (Category-II) Projects :

1. The selection process will be in two stages. In the first stage the interested companies shall submit Pre-qualification Bids as per the Request for Qualification (RFQ) document. In the second stage, the Pre-qualified Bidders will be invited to submit Price Bids. In the Price Bids, the Bidders would be required to quote the upfront charges over and above a minimum amount of Rupees Ten lacs (Rs. 10,00,000) per Mega Watt capacity of the Project. The quoted upfront premium shall be payable in three instalments i.e. 50% amount immediately after allotment of Project, 25% at the time of signing of Implementation Agreement and remaining 25% immediately after Financial Closure.
2. A letter of allotment shall be issued to the successful Bidders asking them to convey the feasibility of the Project and to prepare the Detailed Project Report (DPR) of the allotted Project and for achieving various benchmarks and submission of final DPR. The Govt. of H.P. shall sign the Implementation Agreement (I.A.) with the successful Bidder within a period of 42 months from the date of allotment. The Developer shall convey the feasibility/non-feasibility of the Project commensurate with the allotted site within a period of 12 months from the date of allotment to GoHP. After which the Developer shall submit a DPR within a period of 36 months from

the date of allotment, to GoIP for appraisal by State Govt./Central Electricity Authority as the case may be. Subject to the Govt. as well as the Developer having satisfied themselves about the techno-economic feasibility of the Project, the Developer shall execute the I.A. with the Govt. within a period of 42 months. The Developer will have to deposit a Security Deposit of either a sum of Rupees four lacs (Rs. 4,00,000) per MW in case the Deposit is made in the form of Bank Guarantee or a sum equivalent to Rupees two lacs (Rs. 2,00,000) per MW in case Deposit is to be made as cash/Bank Draft.

3. The Developer will be permitted to withdraw from the Project after the conveyance of non-feasibility of the Project, if the Government is satisfied that the Developer has sufficient ground to establish that the Project is not techno-economically viable, without any liability on the Govt. of H.P. for the expenditure incurred by the Developer. In such eventuality, the Govt. reserves the right to readvertise the Projects.

#### **C. APPLICABLE FOR PART-III PROJECTS :**

1. The Bidders should have strong financial and technical base with adequate free investible reserves and surpluses and requisite technical capability necessary for the development of the above Hydro-Electric Projects.
2. The operation period of the Projects shall be forty (40) years from the Commercial Operation Date (COD) of the Projects at the end of which these shall stand transferred to the Government of Himachal Pradesh free of cost.
3. The Developer shall be required to submit its proposal to the State Government for investigation, feasibility of the Project and Detailed Project Report and implementation of the proposed Hydroelectric Project in Himachal Pradesh.
4. The applications shall be received on yearly basis and the projects will be considered for allotment on first come first serve basis. In case the project of 1<sup>st</sup> batch remains unallotted then it will be considered for allotment to other applicants of the batch.
5. The Project(s) applied for shall be jointly inspected by authorized representatives of HPSEB, HIMURJA and Developer, before the proposal



for investigation and implementation of proposed Hydro-Electric Project(s) submitted by the Developer is accepted.

6. For Projects above 100 MW installed capacity, the Govt. of Himachal Pradesh reserves the right of equity participation upto 49% on selective basis.
7. The Developers will be free to dispose of power from the Projects, after allowing for royalty in the shape of free power to the State, in any manner they like, in accordance with the provisions contained in the Electricity Act, 2003 and the rules and regulations made thereunder.
8. The Project Developer will be required to provide royalty in the shape of free power from the Project to the Government of Himachal Pradesh in lieu of surrender of potential site @ 12% of the Deliverable Energy of the Project for the period starting from the date of synchronization of the first generating unit and extending upto 12 years from the date of Commercial Operation of the Project, @ 18% of Deliverable energy of the Project for a period of next 18 years and thereafter @ 30% of the Deliverable Energy for the balance agreement period beyond 30 years. The royalty in the shape of free power shall start accruing to the Govt. from the Scheduled Commercial Operation Date. In case the actual COD is delayed beyond the Scheduled COD, in that event the amount of free power component as royalty shall accrue to Govt. of H.P. because of extended COD and the Developer shall pay the same in 10 equal instalments from the actual COD.
9. The scope of the work will be from concept to commissioning and operation thereafter, including, *inter-alia*, survey and investigations, identification of transmission system for the evacuation of power, conveyance of feasibility/non-feasibility of the Project and preparation of Detailed Project Report (DPR). The transmission system for evacuation of power shall form part of the Project and shall be included in the DPR in consultation with HPSEB keeping in view the integrated system requirements.
10. It has been observed that after the setting up of various Hydroelectric Projects in Satluj basin, numbers of technical and socio economic problems have arisen due to post effects of hydroelectric projects in the State. To mitigate any eventuality with regard to the execution of Hydroelectric Projects in the Satluj Valley, a forum of Hydro Power Producers of Satluj basin has come into existence on 5-11-2005. The main function of the forum

relates to (i) Environment, (ii) Operation of power Stations and Sharing of Technical Expertise & Experience, (iii) Data Sharing, (iv) Disaster Management and Planning and (v) Common Issues with State Government & Government of India. The guidelines of the forum wherever applicable, the attempt will be made to abide by the recommendations of Forum and applicable to all the Power Producers/Developers in the State of H.P. If however, any such more forums are constituted for other river basins, the guidelines of the same shall also be applicable on developers/Power Producers, executing projects in that area.

11. The Company shall have to provide employment to Bonafide Himachalis whose names are registered on live register of any Employment Exchange located in the State of Himachal Pradesh, in respect of all the unskilled/skilled staff and other non-executives as may be required for execution, operation and maintenance of the Project, through the local Employment Exchanges failing which through the Central Employment Cell at Shimla. However, the first preference will be given to oustees. In the event of non-availability of the requisite skilled manpower at various levels with requisite qualification and experience, non-availability certificates will be obtained from the Labour Commissioner/ Director Employment, H.P. and only thereafter the Company will be free to recruit such persons from outside the State of H.P.

The Company shall satisfy the Govt. that the Contractors/Sub-contractors engaged by them for the Project shall give employment to local people/ Himachalis for appointment as supervisors, workmen and labourers/workers in the Project.

In regard to direct recruitment of engineers and other executives, other things being equal in terms of eligibility criteria, qualification, experience etc. the Company shall give preference to the candidates well conversant with customs, culture, language and dialect of Himachal Pradesh. The advertisement regarding employment will be issued in two English dailies and three Hindi daily papers having wide circulation within Himachal Pradesh, besides advertising through Parsar Bharti and Giriraj.

The Company shall ensure that the deployment of Himachalis in respect of Executive/Non-Executive/Skilled/Non-Skilled categories at any stage of the Project implementation, if it is not possible to recruit 100% staff from Himachalis for justifiable reasons, only then the Company shall maintain not

less 70% of the total employees/officers/executives from Bonalide Himachali persons.

The Company shall provide employment to one member of each of the displaced families or adversely affected as a result of the acquisition of land for the Project, during construction of the Project. During the operation and maintenance of the Project, the Company shall give preference to members of the displaced families for employment in the Project.

The Company shall associate a representative of the Department of MPP & Power, Government of H.P. in the process of recruitment for all categories of employees to be recruited for the Project.

The petty contracts of the road work, retaining walls, buildings construction, carriage of construction material like sand, aggregate, cement, steel etc. engagement of all categories of other service providers, taxis for the staff deployed to the sites, engagement of other light and heavy vehicles, running of canteens/mess, engagement of security personnel through ex-servicemen shall normally be awarded to locals/Himachalis.

The Company shall also provide training programme to the locals affected by the Project so that they are in a position to get employment as various technical/administrative jobs in the Project.

2. The Government will constitute a Local Area Development Authority (LADA) for Project(s) being implemented in each river valley. The Deputy Commissioners will be the Chairman of the LADA and representatives of the developers, HPSEB/State utility, PWD, IPH, Forest, Pradhan of the affected Panchayat, Chairman Panchayat Samiti, Block Development Officer, Land Acquisition Officer and any other concerned department will be the other members of the LADA. Concerned SDM shall be the Member Secretary. The LADA will be entrusted with, but not limited to, the following activities:—

- (a) Oversee the restoration of facilities adversely affected due to implementation of the Project.
- (b) Oversee the implementation of Rehabilitation and Relief Plan.
- (c) Oversee the implementation of Catchment's Area Treatment (CAT) Plan and Compensatory Afforestation.

- (d) Local Development activities related to development of Agriculture, Horticulture, Animal Husbandry, I&PH, Health & Forest Departments and other social activities.

The activities of the LADA during execution will be financed by the Project itself and for this purpose the Developer shall make a provision of 1.5% of total capital cost in the Detailed Project Report other than the funds required for R&R scheme and CAT plan. The LADA activities should be financed from the 1.5% provision proposed in the DPR and not from free power royalty. The State Government will use the free power royalty.

13. The Company shall ensure minimum flow of 15% water immediately downstream of the dam so as to protect the rights of the local inhabitants for irrigation and drinking water requirements.
14. The Company shall ensure to open its Corporate Office within the State of Himachal Pradesh.
15. The Company shall open a Police Station/Chowki and a Labour office in Projects above 50 MW at their cost. For the projects between 5 MW and upto 50 MW the company shall inform the local Police Station and the Labour Office about the details of the labourers and other work force engaged who are both from within the State, country or outside the country, regularly.
16. The Project Developer will be required to make arrangements for evacuation of power from the Project to the Board's/RGCIL's Sub-station (designated as the Interconnection Point) as per the provision in the DPR. For evacuation of power beyond the Interconnection Point, the Developer shall tie up with HPSEB/PGCIL for arrangements of a suitable integrated transmission system at mutually agreed wheeling charges.
17. Interested parties can submit Bids for one or more Projects. One Bid Document purchased will hold good for submission of Bid for only one Project. The Bids as well as the Processing Fee shall be submitted separately for each Project applied for.

### Applicable for Part-III (Category-I) Projects:

A letter of allotment shall be issued to the successful/selected Bidders asking them to execute a Memorandum of Understanding (MOU) with the Government of Himachal Pradesh for which a sum of Indian Rupees equivalent to Rupees one lac (Rs. 1,00,000) per Mega Watt of installed capacity subject to a maximum amount of Rupees Fifty lacs (Rs. 50,00,000) only shall required to be deposited by the successful Bidder as the Security Deposit either through Banker's Cheque or the Bank Draft drawn in favour of Govt. of H.P. on a Scheduled Indian Bank. As per the terms & conditions of MOU the Developer shall be required to achieve various milestones. The Developer shall convey the feasibility/non-feasibility of the Project commensurate with the allotted site within a period of twelve (12) months from the date of signing of MOU to Govt. of H.P. After which, the Developer shall submit a Detailed Project Report (DPR) within a period of 24 months in Projects upto 50 MW and 30 months in other Projects from the date of signing of MOU, to Govt. of H.P. for appraisal by State Govt./Central Electricity Authority as the case may be. Subject to the Govt. as well as the Developer having satisfied themselves about the techno-economic feasibility of the Project, the Developer shall execute the Implementation Agreement (I.A.) with the Govt. within a period of 42 months from the date of signing of MOU. The Developer will have to deposit a Security Deposit of either a sum of Rs. four lacs (Rs. 4,00,000) per MW in case the Deposit is made in the form of Bank Guarantee or a sum equivalent to Rs. two lacs (Rs. 2,00,000) per MW in case Deposit is to be made as cash/Bank Draft.

Successful/Selected Bidders shall be required to deposit Upfront Premium at the following rates:

(i)	For Projects above 5 MW to 50 MW	..	Rs. 1.00 lac/MW
(ii)	For Projects above 50 MW to 100 MW	..	Rs. 2.00 lac/MW

The upfront premium shall be payable by the successful Bidders in three instalments *i.e.* 50% amount at the time of signing of MOU, 25% at the time of signing of Implementation Agreement and remaining 25% immediately after Financial Closure.

The Developer will be permitted to withdraw from the Project after the conveyance of non-feasibility of the Project, if the Government is satisfied that the Developer has sufficient ground to establish that the Project is not techno-economically viable, without any liability on the Govt. of H.P. for the

expenditure incurred by the Developer. The Security Deposit at the time of signing of MOU shall however be refunded.

## **II. Applicable for Part-III (Category-II) Projects :**

1. The selection process will be in two stages. In the first stage the interested Companies shall submit Pre-qualification Bids as per the Request for Qualification (RFQ) document. In the second stage, the Pre-qualified Bidders will be invited to submit Price Bids. In the Price Bids, the Bidders would be required to quote the upfront charges over and above a minimum amount of Rupees Ten lacs (Rs. 10,00,000) per Mega Watt capacity of the Project. The quoted upfront premium shall be payable in three instalments *i.e.* 50% amount immediately after allotment of Project, 25% at the time of signing of Implementation Agreement and remaining 25% immediately after Financial Closure.
2. A letter of allotment shall be issued to the successful Bidders asking them to convey the feasibility of the Project and to prepare the Detailed Project Report (DPR) of the allotted Project and for achieving various benchmarks and submission of final DPR. The Govt. of H.P. shall sign the Implementation Agreement (I.A.) with the successful Bidder within a period of 42 months from the date of allotment. The Developer shall convey the feasibility/non-feasibility of the Project commensurate with the allotted site within a period of 12 months from the date of allotment to GoHP. After which the Developer shall submit a DPR within a period of 36 months from the date of allotment, to GoHP for appraisal by State Govt./Central Electricity Authority as the case may be. Subject to the Govt. as well as the Developer having satisfied themselves about the techno-economic feasibility of the Project, the Developer shall execute the I.A. with the Govt. within a period of 42 months. The Developer will have to deposit a Security Deposit of either a sum of Rupees four lacs (Rs. 4,00,000) per MW in case the Deposit is made in the form of Bank Guarantee or a sum equivalent to Rupees two lacs (Rs. 2,00,000) per MW in case Deposit is to be made as cash/Bank Draft.
3. The Developer will be permitted to withdraw from the Project after the conveyance of non-feasibility of the Project, if the Government is satisfied that the Developer has sufficient ground to establish that the Project is not techno-economically viable, without any liability on the Govt. of H.P. for the expenditure incurred by the Developer.

## D. OTHER INSTRUCTIONS :

1. The brochure containing details of terms and conditions regarding Bidding and Project Implementation, Bid Application Formats, Questionnaire etc. would be available to the interested Bidders *w.e.f.* 23-1-2006 on payment of **Rupees two lac (Rs. 2,00,000)** only per Project through a bank draft/bankers cheque, from the office of the Chief Engineer (PSP), HPSEB, Vidyut Bhawan, Shimla-171004 (H.P.) India, Tel. 91-177-2803253, Fax-91-177-2803253/91-177-2658984 e-mail: [cepsp@hpseb.com](mailto:cepsp@hpseb.com). Documents will be sent through Registered Post/Speed Post. The bank draft/banker's cheque shall be given in the name of Accounts Officer (Banking), HPSEB, Shimla and drawn on any Scheduled Indian Bank at Shimla. For getting the documents through Courier service additional charges @ Rs.1000/- for inland and Rs.5000/- for foreign countries shall be payable. The Bids will be accepted only from the Bidders who purchase the Bid Documents.
2. The last date for supply of Bid Documents to the interested bidders, the last date of submission of bids in the office of Chief Engineer (PSP) at the above address and the date of opening of Bids in his office are as under:—

Sl. No.	Description	Last date for sale of Bid documents	Last date of submission of Bids	Date of opening of Bids
1	2	3	4	5
1.	For Projects: Bara Bangahal, Gondhala, Bardang, Chhatru, Miyar, Tinget, Teling, Patam, Reoli/Dugli, Dugar, Gyspa, Sach-Khas, Seli, Tandi & Rashil and Self Identified Projects.	29-6-2006 at 1700 hours	30-6-2006 at 1300 hours	30-6-2006 at 1600 hours
2.	For Projects: Youngthang Khab, Mane Nadang, Lara, Kuling Lara, Rupin, Chango Youngthang, Sumte Kothang and Lara Sumte.	30-5-2006 at 1700 hours	31-5-2006 at 1300 hours	31-5-2006 at 1600 hours

1	2	3	4	5
3.	For Projects: Chanju-I, Chanju-II, Bajoli Holi, Ropa and Bharari.	28-4-2006 at 1700 hours	29-4-2006 at 1300 hours	29-4-2006 at 1600 hours

**Note.— (i) The date of sale/receipt/opening of bid documents have been mentioned separately in view of the inaccessibility of the areas.**

**(ii) If the last date for submission of Bids or the date of opening of bids happens to be a holiday declared by the Govt. of Himachal Pradesh in Shimla, the bids will be submitted and opened on the next working day in the same order and at the same time.**

3. The Bidders shall also be required to furnish a non-refundable Processing Fee @ Rupees one lac (Rs. 1,00,000) only per MW subject to maximum of Rupees Ten lacs (Rs.10,00,000/-) per Project applied for. The payment shall be made through bank draft/bankers cheque in the name of Accounts Officer (Banking), HPSEB, Shimla drawn on any Scheduled Indian Bank at Shimla. Bids not accompanied by the Processing Fee are liable to be rejected forthwith.

The details of Projects can also be seen on web site [www.hpseb.com](http://www.hpseb.com).

**FOR AND ON BEHALF OF THE GOVERNOR OF H.P**

**Sd/-**

**Principal Secretary (MPP & Power)  
to the Government of Himachal Pradesh  
Shimla-171002.  
Telefax: 91-177-2621859**